NEWCASTLE MUNICIPALITY

MINUTES OF THE SPECIAL COUNCIL MEETING OF THE NEWCASTLE MUNICIPAL COUNCIL, HELD IN THE CONFERENCE ROOM, SHOW HALL, HARDWICK STREET, NEWCASTLE ON WEDNESDAY, 30 MAY 2018 AT 12:00

NEWCASTLE MUNICIPAL COUNCIL

SPECIAL MEETING : 30 MAY 2018 at 12:00

ATTENDANCE REGISTER

PRESENT

Councillor	J C N Mkhwanazi	:	Speaker
Councillor	V V Bam		
Councillor	L L Bosman		
Councillor	S B Buthelezi		
Councillor	E C J Cronje		
Councillor	T J C Danisa		
Councillor	X N M Dladla		
Councillor	B S Dlamini		
Councillor	V F Hadebe		
Councillor	T S Hlabisa		
Councillor	A Khoza		
Councillor	B V Khumalo		
Councillor	V D Kubeka		
Councillor	N P Kunene		
Councillor	C Y Liu		
Councillor	N K Majozi		
Councillor	N Y Mbatha		
Councillor	A M Mbuli		
Councillor	R N Mdluli		
Councillor	A P Meiring		
Councillor	S G Miya		
Councillor	H N Mkhwanazi		
Councillor	T P Mkhwanazi		
Councillor	M S Mlangeni		
Councillor	N G Mnguni		
Councillor	M V Molefe		
Councillor	R M Molelekoa		
Councillor	M V Mthembu		
Councillor	P B Mwali		
Councillor	V P Mzima		
Councillor	T M Ndaba		
Councillor	R B Ndima		
Councillor	S S Ndlangamandla		
Councillor	M S Ndlovu		
Councillor	P F Ndlovu		
Councillor	M E Ngcobo		
Councillor	B C Ngema		
Councillor	D R Ngema		
Councillor	D Ngwenya		
Councillor	C L Nhlapho		
Councillor	S J Nhlapho		
Councillor	E M Nkosi		
Councillor	S N Nkosi		
Councillor	J B Nkwanazi		
Councillor	S Shabangu		
Councillor	M Shunmugam		

Councillor	D M	Sibilwane
Councillor	D P	Sibiya
Councillor	L T	Sikhosane
Councillor	G M B	Thwala
Councillor	L G	Thwala
Councillor	S M	Thwala
Councillor	M W	Twala
Councillor Dr	J A	Vorster
Councillor	S A	Yende
Councillor	M F	Zikhali
Councillor	N S	Zulu
Councillor	S Z	Zulu
Councillor	T M	Zulu
Councillor	N A	Zwane

ABSENT WITH APOLOGY

Councillor	D X	Dube	:	other commitments
Councillor	F P	Gama	:	other commitments

ABSENT WITHOUT APOLOGY

Councillor	M V	Buhali
Councillor	F A	Malinga
Councillor	T M	Nzuza
Councillor	S L	Stein
Councillor	S J	Zulu

Inkosi	C S	Kubheka	:	Traditional Leader
Inkosi	B S	Radebe	:	Traditional Leader

OFFICIALS PRESENT

Strategic Executive Director : BTO	: Mr	B	E	Hlongwe
Acting Strategic Executive Director : DP&HS	: Ms	N		Thusi
Acting Strategic Executive Director : Technical Services	: Mr	N		Ncube
Director : Administration	: Mrs	D	R	Molefe
PMS Officer	: Ms	S	J	Kakir
Senior Administrative Officer	: Ms	M		Mduna
Acting Senior Administrative Officer	: Ms	Z		Xulu
Acting Senior Administrative Officer	: Ms	S		Sithole
Junior Administrative Officer	: Mr	S		Thwala
Intern	: Ms	P		Thwala
Intern	: Mr	X	F	Myaka
Intern	: Mr	T		Zikhali
Intern	: Ms	N		Shoba
Student	: Ms	N		Masuku

1 : OPENING

The Speaker requested all members to observe a silent prayer, thereafter officially opened the meeting.

2 : APPLICATIONS FOR LEAVE OF ABSENCE : (A 3/1/4/1)

The meeting was informed that the following councillors had given notice to the effect that it would not be possible for them to attend the meeting :-

Councillor	D X	Dube
Councillor	F P	Gama

RESOLVED

That Councillors

D X	Dube
F P	Gama

be granted leave of absence from attending the meeting.

SED:CS(A)
R.N. Mdluli

3 : APPROVAL OF IDP/BUDGET/PMS : 2018/2019 : (BTO 6/1/1 - 2018/2019)

The Mayor, Cllr. E.M. Nkosi, presented the final Integrated Development Plan 4th Generation 2017/2022, the Multi-year Operating and Capital Budget 2017/2020 and the final Organisational Performance Management System 2017/2018.

Cllr P.B. Mwali, on behalf of the Independent Party supported the budget and proposed increase in speed for implementation.

Cllr LL Bosman, on behalf of the Vryheidsfront raised concerns on the implementation of the budget which has not improved, the negative growth of Newcastle, land expropriation without compensation, labour and minimum wage and crime situation.

Cllr M.W. Thwala, on behalf of the EFF indicated that they supported the budget for 2017/2018 and raised concerns on projects that were not implemented, incomplete and poor workmanship, poor planning, issues raised by Provincial Treasury not addressed, tariff increase of 8% not approved by NERSA, no reserves allocated, no service delivery and budget roadshows which were a wasteful expenditure.

Cllr A.P. Meiring, on behalf of the DA, raised concerns on the repair and maintenance decrease yet the state of infrastructure is deteriorating, debt collection, consequence management, and increase on property rates, water and electricity. Annexure "A". ***

Cllr T.M. Zulu, on behalf of the IFP, indicated that they supported the previous budget with the hope of improvements in the service delivery. He mentioned that a submission will be made to Council at a later stage. Annexure "B". ***

Cllr N.P. Kunene, on behalf of the ANC, supported the budget for service delivery.

The Mayor responded that a credible budget is influenced by the revenue however the shortfall is based on non-cash items. He mentioned that the increase in tariffs is informed by the CPIX. He however mentioned that some of the comments made by political parties that there was no political will were not true. The Municipal Manager is setting up the committee to address the issues of consequence management.

After voting:

19 Councillors did not support the budget and
37 Councillors supported the budget

(i) <u>Newcastle Local Municipality Final Integrated Development Plan (IDP) 2018/2019 : (DP&HS 13/15/6)</u>

<u>RESOLVED</u>

(a) That the NLM Final Integrated Development Plan (2018/2019) Review, be approved in order to give guidance to the budget;

(b) that as part of the NLM Final IDP (2018/ 19), the NLM Final Spatial Development Framework (2018/2019) Review including its ancillary plans i.e. Newcastle Urban Open Space Policy and Framework be approved;

(c) that it be noted that a public notice will be issued to give notice of the approval of the NLM Final Integrated Development Plan (2018/2019) Review by Council;

(d) that it be noted that the approved/adopted NLM Final IDP (2018/2019) Review document will be posted on the Official Municipal website as per the legislative requirements; **MM**

(e) that the approved NLM Final Integrated Development Plan (2018/2019) Review will be submitted to the MEC : KZN-C for final assessment purposes, in line with the legislative requirements of the Local Government: Municipal Systems Act , 2000 (Act No. 32 of 2000);

(f) that the approved/adopted NLM Final Integrated Development Plan (2018/19} Review will be submitted to the MEC: KZN-CoGta;

(g) that it be noted that additional amendments shall be made to the NLM Final IDP, more specifically the Performance Management information as informed by the PMS Unit.

(ii) **Final medium term budget 2018/2019 : (BTO 6/1/1 - 2018/2019)**

RESOLVED

(a) That in terms of section 24 of the Municipal Finance Management Act, 56 of 2003, the annual budget of the municipality for the financial year 2018/2019; and indicative allocations for the two projected outer years 2019/2020 and 2020/2021; and the multi-year and single year capital appropriations be approved;

(b) that the sources to fund both operating and capital budgets be noted and approved;

(c) that the Municipality's annual allocation of R82 934 172 to uThukela Water for the provision of bulk water be approved;

(d) that in terms of section 24(2)(c)(i) of the Municipal Finance Management Act, 56 of 2003, and sections 74 and 75A of the Local Government Municipal Systems Act, 32 of 2000 as amended, the tariffs for the supply of water, electricity, waste services, sanitation services and property rates as set out Tariff of Charges that were used to prepare the estimates of revenue by source, be approved with effect from 1 July 2018 for all services except for water and electricity consumption, which be levied on the new tariff with effect from 1 August 2018;

SED: BTO
E.M. Nkosi

(e) that the Tariff of Charges be approved and be applicable with effect from 1 July 2018 as attached in Annexure E;

(f) that Property Rates, Water, Refuse and Sanitations tariffs be increased by 7.2% and other tariffs be increased by 10%;

(g) that Electricity Tariff increase of 8% increase be provisionally approved, it be recorded that the application currently being processed by NERSA. Any changes to NERSA's proposed tariff to be communicated to Council before implementation;

(h) that in terms of the Indigent Policy, the monthly household earnings of an indigent application be capped at R3 500 per month;

(i) that bulk electricity purchases be increased by 7.32% as per NERSA and the National Treasury guidelines;

(j) that indigent benefits be capped and approved as follows :-

Electricity consumption	:	50 kW/h
Water consumption	:	6KI
Electricity availability	:	100%
Water availability	:	100%
Sewer	:	100%
Refuse	:	100%
Property rates	:	100%;

(k) That the rate rebates be capped and approved as follows :-

Pensioners	:	25%
Flood victims	:	25%
Bread and breakfasts businesses	:	10%
Business development with property greater than R50 million		
from 0-4 years	:	40%
from 5-6 years	:	25%
from 7-8 years	:	10%
from 9 years onwards	:	0%;

(l) that the Provincial Treasury's assessment of the draft budget be noted as attached on Annexure F;

SED: BTO
E.M. Nkosi

(m) that the Budget Policy be noted and approved as attached in Annexure G;

(n) that the Rates Policy and by-laws be noted and approved as attached Annexure G;

(o) that the Indigent Policy be noted and approved as attached in Annexure G;

(p) that the Customer Care, Credit Control and Debt Collection Policy be noted and approved as attached in Annexure G;

(q) that the Provision for Doubtful Debt and Debtors Write-Off Policy be noted and approved as attached in Annexure G;

(r) that the Supply Chain Management Policy be noted and approved as attached in Annexure G;

(s) that the Cash and Investment Management Policy be noted and approved as attached in Annexure G;

(t) that the Asset Management Policy be noted and approved as attached in Annexure G;

(u) that the Petty Cash Policy be noted and approved as attached in Annexure G;

(v) that the Virement Policy be noted and approved as attached in Annexure G;

(w) that the Funding and Reserves Policy be noted and approved as attached in Annexure G;

(x) that the Borrowing Policy be noted and approved as attached in Annexure G;

(y) that the Loss control Policy be noted and approved as attached in Annexure G;

(z) that the Short-term Insurance Policy be noted and approved as attached in Annexure G.

SED: BTO
E.M. Nkosi

(Cllr. L.L. Bosman, on behalf of the Vryheidsfront, Cllr. A.P. Meiring on behalf of the DA, Cllr. M.W. Twala on behalf of the EFF, Cllr. T.M. Zulu on behalf of the IFP requested their dissenting votes to be recorded.)

(iii) Performance Management System : 2018/2019 : (MM 2/1/2)

RESOLVED

(a) That in terms of section 53 of the Municipal Finance Management Act read with Chapter 6 Local Government: Municipal Systems Act, 2000 (Act No.32 of 2000) as amended – the Performance Management System (Revised PMS Framework, Monitoring Framework for Municipal Entities, Organisational Score-card, Service Delivery Budget Implementation Plans, Cash flow projections (Opex and Capex), Project Implementation Plans (Capex) - for the 2018/19 Financial year be approved for inclusion in the IDP Review 2018/19;

(b) that where practical, the general KPI's as per the Municipal Planning and Performance Management Regulations, 2001 be customized to cater for its measurability as per the resources of the municipality in line recommendations by National CoGta and the Auditor-General's office;

(c) that standardised KPI's be incorporated into the SDBIP to cater for the following :-

(i) Execution of Resolutions progress report submitted as per resolution register (Exco, Council, MPAC)

(ii) Review by SED to implement departmental operational plans aligned to SDBIP's and Capital programme

MM

(iii) Progress reports on the implementation of Revenue Enhancement Strategies submitted to relevant Portfolio Committee and Executive Committee

(iv) Progress report on implementation of Risk Management Strategies submitted to CRO

(v) Progress report on implementation of Oversight Report recommendations submitted to MPAC

(vi) Progress reports on implementation of Management Action Plan to AG findings to CRO

(vii) Implementation of Individual Performance Management System

(d) that the final PMS 2018/2019 be aligned to the approved budget and be incorporated into the final IDP Review 2018/2019 accordingly prior to submission to CoGta and publishing to the website;

(e) that the Community Survey 2016 results by STATS SA be used as baseline information as aligned to the IDP where applicable on relevant KPI's; **MM**

(f) that for the purpose of Individual PMS to be rolled out from 1 July 2018, all functional KPI's aligned to Task Gr17-16 officials be aligned to the SDBIP's accordingly;

(g) that the Pro-forma Performance Agreement for the Municipal Manager and Managers directly accountable to the Municipal Manager be noted for finalization before the 31 July 2018;

(h) that the approved PMS 2018/2019 be submitted to National and Provincial Treasury, CoGta and be published for public perusal.

CONCLUSION OF MEETING

There being no further business to discuss, the meeting concluded at 13:15.

CONFIRMED

2018-05-30 at 14:00
DATE

CHAIRPERSON